

MANAGEMENT OF GOVERNMENT PROPERTY IN THE POSSESSION OF SUBCONTRACTORS

A. Purpose

This document prescribes the minimum requirements Subcontractors and lower-tier Subcontractors (hereinafter referred to as Subcontractors) must meet in establishing and maintaining control over Government property. If there is any inconsistency between this document and the terms of the Subcontract, the terms of the Subcontract shall govern. Government property is generally not provided to Subcontractors. The decision to provide Government property to Subcontractors (whether Government-furnished or Subcontractor-acquired) shall be made only after careful consideration of all relevant facts.

B. Requirements

Federal Acquisition Regulation (FAR) Sections 45 Government Property, 52 Solicitation Provisions and Contract Clauses, and the NASA FAR Supplement 1845 Government Property, supplement this document and provide additional information.

C. Subcontractor Responsibility

The JPL Subcontractor is directly responsible and accountable for all Government property in accordance with the provisions of the Subcontract. The Subcontractor's system shall be adequate to control, protect, preserve, and maintain all Government property, including residual and scrap material. The Subcontractor shall maintain and make available all records required by this document and account for all Government property until relieved of that responsibility.

D. Definitions

Government Property: All property owned by or leased to the Government or acquired by the Government under the terms of the Subcontract. It includes Facilities, Real Property, Plant equipment (PE), Material, including Work in Process (WIP), Special Tooling (ST), Special Test Equipment (STE), and Agency-Peculiar Property (APP).

Tagged Property: Plant Equipment, Special Test Equipment including Components, Special Tooling, and Non-flight Space Property that is:

- Commercially available and used as a separate item or component of a system; and
- Identifiable by a manufacturer and model number.

(Contract) Work in Process (WIP): Consists of property items under development (not complete) and includes the costs of all WIP regardless of value for all categories of property, all types of equipment and material as well as WIP for International Space Station and Space Shuttle components. The costs of WIP for assets destined for permanent operation in space such as satellites and space probes and their components should NOT be reported.

E. Subcontractor Reporting *(to be sent to the designated JPL Property Administrator)*

Monthly Report: The Subcontractor shall provide a completed Contractor-Held Asset Tracking System (CHATS) Report (template available at <http://acquisition.jpl.nasa.gov/docs.htm>), to JPL on the 3rd business day of each month if the following reporting criteria are met:

- Tagged property (PE, ST, STE & APP) over \$100K; or
- Material and WIP regardless of value.

Annual JPL 1018 NASA Property in the Custody of Subcontractors or equivalent The Subcontractor shall submit a completed JPL 1018 (see <http://acquisition.jpl.nasa.gov/docs.htm>).

Annual Results of Inventories: The Subcontractor shall submit the following to JPL promptly after completing an annual physical inventory:

- (1) A listing that identifies all discrepancies disclosed by a physical inventory;
- (2) A signed statement that physical inventory of all or certain classes of Government property was completed on a given date; and
- (3) Certification that the official property records were found to be in agreement except for any discrepancies reported.

Excess Government Property: The Subcontractor shall report excess Government property to JPL, utilizing Plant Clearance Automated Reutilization Screening System (PCARSS) or Inventory Disposal Schedule (Form 1428) when the property is no longer required on the Subcontract. See FAR 45.606 for additional clarification. A template for the Inventory Schedule is available at <http://acquisition.jpl.nasa.gov/docs.htm>

Loss, Damage, Destruction or Theft of Property: Loss, damage, destruction or theft of Government property in the Subcontractor's possession must be reported as soon as the facts are known. Within 30 days of discovery a request for relief of accountability and a corrective action plan must be submitted.

At the time of receipt, the Subcontractor shall report to JPL, in writing, all cases of overages or shortages.

The removal of Government property to storage, or its contemplated transfer, does not relieve the Subcontractor of these responsibilities.

The Subcontractor's maintenance program shall provide for disclosing and reporting the need for major repair, replacement, and other capital rehabilitation work for Government property in its possession or control.

F. Acquiring and Tagging Government Property

JPL Subcontractor Property & Vesting Authorization Form (JPL Rules! DocID 77954), or equivalent shall be prepared for each item of Tagged Property (as defined in Paragraph D above), to be acquired by the Subcontractor for JPL's approval **30 days in advance** of purchase. Instructions for preparation of the JPL Subcontractor Property & Vesting Authorization Form are available at: <http://acquisition.jpl.nasa.gov/docs.htm>. If use of the DD 1419 is preferred, instructions for preparing the DD 1419 are contained in NASA FAR Supplement (NFS) 18-45.7102.

Title Vesting: *(For Educational Institutions and Not-For-Profit Organizations subcontracts only)* The JPL Subcontractor Property & Vesting Authorization Form is required for all items specifically approved by JPL in writing and purchased with funds available for research. The University or Not-For-Profit Organization shall request title as soon as acquisition of item(s) is contemplated. JPL Rules! DocID 77954 replaces JPL Form 2710 and may be used in lieu of the DD1419.

Sensitive Item List: The sensitive items list may be located at http://acquisition.jpl.nasa.gov/Sensitive_Item_List.pdf. These items are considered sensitive or easily-pilfered and require a NEMS tag.

Tagging Property: Property Tags must be requested *within 30 days of receipt of property* by the Subcontractor.

- Tags shall be affixed to property of any value as directed by JPL.
- Include the following information to JPL when requesting a tag using the JPL ADI Template **or equivalent**. JPL ADI Template located at: <http://acquisition.jpl.nasa.gov/docs.htm>.
 - Description
 - Manufacturer
 - Model Number
 - Serial Number
 - FSC
 - Cost
 - Subcontract Number
 - Date in Service
 - Property Type

The JPL ADI Template may be used in lieu of DD 1342 DOD Property Record. All markings shall be removed or obliterated when Government property is sold, scrapped, or donated.

G. Disposition of Government Property

Shipment of Government Property: Adequate descriptions of property and accurate dollar values, including Requisition and Invoice/Shipping Document Form DD1149 (available at: <http://acquisition.jpl.nasa.gov/docs.htm>.) shall be included with the shipment and a copy forwarded to the JPL Property Administrator.

Property Closeout: A Property Closeout Certificate, JPL Form 0948, shall be signed by the Subcontractor's authorized representative and returned to JPL prior to final payment. <http://acquisition.jpl.nasa.gov/docs.htm>